

W. E. Gooding, M. P.
with Compliments to
The Author

Canadian Money

AND

Progress

By W. C. PAYNTER

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Canadian Money and Progress

In taking up the study of this question we must first show what money is. Here is a good definition of Money:

"Money is the means of adjustment which renders traffic between men independent of individual requirements."

All present day Money is fiat, the word fiat means order or decree of a court. All legal tender is Money made lawful by fiat of law.

Legal tender means that this Money made legal by fiat of law may be paid or tendered for any lawful debt to the State or any individual comprising the State, and must be accepted by the creditor.

The forms of Money in general use today is either metallic money made from gold, silver or copper, and supposed to have intrinsic value, that is, it possesses the value for which it exchanges in its own substance, or inconvertible paper Money, such as our present Dominion one, two and five dollar notes, and the notes of the different banks. Previous to 1914 these were supposed to be convertible into metallic currency on demand, but were seldom ever converted. But under pressure of war the law was changed, and now all these notes come under the head of Fiat Inconvertible Paper.

Long ago there was no money anywhere, but as soon as men began to build homes, to till the earth, and to breed cattle, there arose a need for something that would represent these things. A man might want to exchange a sheep for a goat, and that was simple enough; but if he wanted to buy the goat without giving the sheep in exchange it was not so easy; or if he wanted to sell his house and build another it was not so easy. So men agreed that instead of handling goats and houses, they would handle something else that would represent goats and houses.

The thing they agreed upon was Money, and Money may be made of anything. In some parts of the world people use shells as Money. This was the medium of exchange used long ago by the Indians of the North-Western States from the Missouri River to California. Kauri shells are still used in East, West and Central Africa; in Nigeria 1000 Kauris are worth threepence. In nearly all parts of the world they use paper printed in a particular way so that no one can copy it.

In the fur trade of North-Western Canada, Money values, as we use them, were unknown. The term Skin or Made Beaver, which was the skin, in the prime, of a full grown perfect Beaver, killed in season, and weighing between 16 and 20 ounces, was the uncoined Money, or medium of exchange, of the North. The skin does not pass in the transaction, but it is the unit of sales, and small sticks are used to represent it, each stick counting as 50c.

This latter medium of exchange, though crude, seems to the writer to fill the bill as the most perfect and economical of any of the above methods, for to be a perfect medium of exchange the substance used should be durable, inexpensive and "as elastic and plentiful as the articles or services offering for exchange." Will the reader note this definition, as later on we are going to measure all Money by this standard, and prove that anything that will not measure to this is a great hindrance to the progress of Canada.

We will also show that with a medium of exchange which will be clearly defined, such a thing as financial depression cannot occur, and no one in Canada willing to work would be out of a paying situation.

We will also show that it is because our money does not measure up to this standard that it can be drawn off the market and out of reach of the people to such an extent that it is impossible for them to move on anything but a credit basis.

We will show that Commerce via Exchange of Products and the facilities and freedom of this exchange, is the foundation upon which all progress, both material and spiritual, is made, not only in Canada, but throughout the world. We cannot expect to have a healthy body politic if there occurs stagnation or congestion in our financial

arteries, any more than we could if the same effect occurred within the human frame. A scientific "Medium of Exchange" should be one that would, every day and every hour, render its services to the last man corpuscle in the great body of Humanity, so that if he is willing to work he would have the money always to pay over in exchange for his every need, and such a medium will be disclosed in another chapter.

Some of the Defects in Our Present Monetary System.

From Money we will now turn to the Financial System of Canada, which is the system that provides our Money or "Medium of Exchange."

We here find one of the most unjust systems that was ever loaded on the backs of a long suffering people. The story of the Israelites enslaved under Pharaoh and compelled to make bricks without straw is as nothing to it. A system passed upon by the supposed representatives of the people of Canada, granting a bunch of bankers the privilege of doubling their capital when they start in business and thereafter drawing interest on their liabilities. So long as such a damnable thing as the Canadian Bank Act remains on the Statute Books of Canada, so long we will have to drink of the bitterness of Hell.

Do you know that the Banks of Canada have been reduced to about twenty and that they all belong to the Bankers' Association, and that this Association, as a big Money Trust, controls the Government of Canada, the manufactures of Canada, and the very lives of every last soul living in Canada?

Do you know that there has never been a Government in Canada that did anything else than give the Financial Rulers about everything they asked for, and that the present financial organization of Canada is the monkey wrench in the machinery of trade and commerce that is causing all the economic suffering of the past and present, and the people who are in the know are so fettered to their chariot wheels that they are dumb and dare not utter a word.

Do you know that the people of Canada are not any further advanced than the Israelites when they made the Golden Calf in the wilderness and bowed down and worshipped it and the Promised Land was just over the way?

Do you know that politicians very seldom take issues that are the real ones affecting the people. They tell you about the waste we sustain by that awful Tariff, it is bad enough, but they howl about the waste at the spigot—but let her run full blast at the bung.

Under the present Bank Act of Canada it is necessary to form a preliminary organization and get half a million dollars of capital subscribed, with one quarter of a million paid up and deposited at Ottawa, then application for a charter may be made to the Dominion authorities. When this is secured, and the organization is ready for business, this deposit is all returned except \$5,000.00, and the new bank is allowed to issue its own promissory notes in the form of money—dollar for dollar—to the amount of its paid up capital. When a producer of the world's real wealth makes a plain written note in favor of his creditor he generally has to pay interest thereon. But the Non-Producer, who has control of the "Medium of Exchange" of the Sovereign People, loans the producers his promissory notes nicely lithographed and charges them good heavy interest therefor. Banking Corporations thus have the privilege under the act of doubling their capital when they go into business, and thereafter draw their incomes largely from their liabilities.

In an address given in the City Hall, Regina, by a Bank Manager, when speaking to the Saskatchewan Retail Merchants' Association, he was explaining how the Banks were permitted to issue these notes against their assets, when one of the audience mentioned the Million Dollar Asset in the building owned by the Union Bank in Winnipeg, and asked if the Bank would be allowed to issue their notes dollar for dollar against the value of that building. His reply was, "In fact they do, but if requirements of the act were strictly followed, they would only be allowed to issue notes against that portion of value of the building used strictly for banking purposes." There you have it. You have heard of eating your cake and having it too. Suppose the Farmers' Party is the strongest at Ottawa after the next Dominion Election, as many expect, and they should reverse this, and for a few years would allow the workers of Canada to thus double their capital and draw interest on their liabilities, would you not hear a howl that would reach to Heaven or Hades, at such a dastardly piece of class legisla-

tion. But when the privilege is given to the financial Lords riding on the backs of the producers of the real wealth of Canada, that is just loyal and we should submit.

During the great financial depression of 1907 a Saskatchewan village wanted to secure a loan of a thousand dollars on debenture, to put in a gravity water system. This was the year that Mr. Ashdown was elected Mayor of Winnipeg in order to pull the City finances out of the hole. As the debenture could not be negotiated for less than ten per cent. interest, the writer took the matter up with the Department of Finance, Ottawa, and asked the Minister why he could not take the debenture and give the village the thousand dollars in Dominion of Canada Notes which would do us as a medium of exchange to carry on our work. The thought was that even if these Dominion Notes were based on, and issued against, gold in the vaults, that an interest bearing bond held by the Government would be a better security as a basis against which to issue the Dominion Notes, than so much gold lying in their vaults and only wasting gradually away. The reply received from the Deputy Minister was that this could not be done, "For as the law now stood, for every dollar of Dominion Notes issued, it was necessary that there should be a dollar of gold in the government vaults." But that is not the case now by any means, as we will presently show.

The same suggestion was made in a letter to Mr. Ashdown, and his reply was that "It might be worked that way, but if it were once started no one could tell how far it could and would be abused."

This was in 1907. What happened just 7 years later in 1914? The Government, in the early session was asked for a grant or guarantee of bonds by McKenzie & Mann, which finally ended up in the Government guaranteeing the bonds of the Canadian Northern Railway, for forty million dollars, and those of the Grand Trunk for fifteen million. McKenzie & Mann were in London trying to place these bonds when the Great War broke out, and they returned unsuccessful, as financial conditions there were so bad that the British Government had to place the whole wealth of the Nation behind the Bank of England, to enable it to carry on.

They returned to Canada, and looked about to see how they could secure the necessary funds from these bonds to carry on their work. That was easy under the recent amendments to the Bank Act, for the then Finance Minister—Mr. White—had secured a change in the Act that permitted the Banks to issue their own promissory notes up to 115 per cent. of their assets, and if that was not found sufficient to provide a "Medium of Exchange" to move the Western wheat crop, they could deposit with the Minister of Finance approved securities, for and against which, the government would issue Dominion Notes. All these Captains of Finance had to do was to present these undisputed securities guaranteed by the Dominion of Canada, to the Finance Minister, and he issued forty million dollars of Dominion Notes in their place. It is likely that the Grand Trunk got the money out of their bonds in the same way. I contend that this was good financing, both for the Government and for McKenzie & Mann, after the Government had committed itself, and on taking over the railroad later, if this discount was included in the cost of the road. It really cost the Government nothing, but the price of the paper and the labor required in making the notes, and they will never have to pay any interest on this forty million, which they would have done if the Company had succeeded in placing their bonds with European capitalists. Now, what I want to know is, if the Government could give McKenzie & Mann \$40,000,000.00, to help them build a railway, why they could not provide four hundred million in the same way, or enough to furnish a medium of exchange to build the whole road without one cent of interest charges. If this had been done it would have provided just as much money in that country and with no interest charges forever. The Government roads could soon be made to pay, and with freight rates that would encourage commerce instead of stifling it. And now I ask why the Government cannot accept my proposition of 1907, and issue Dominion Notes against the interest bearing debenture of any village, for \$1,000.00. And why can they not do the same for every public work where money is borrowed on bonds or debentures, which has run the gauntlet of the restrictions of our present Local Government Boards.

If the Government of Canada would cancel all Bank Charters when they run out in 1923 and thereafter allow nothing else to be issued except Unconvertible Dominion

Notes, and issue them in payment of work done in the development of our Great Natural Resources, Building Highways, Schools, Irrigation Works, and against interest bearing bonds for say 2 per cent. sufficient to pay the expenses of the first cost of the bills and the book-keeping attached thereto, to Provincial Governments, Cities, Towns and Villages, that is all that is required to make Canada a hive in industry, the like of which has very seldom been seen in the world's history. To prove what is stated with regards to the issue of Dominion Notes to McKenzie & Mann, I quote from the Regina Leader of January 12, 1915. Under the head of Business News, they give this report from Ottawa:

"Legislation to legalize certain unprecedented financial action taken by the Government since war broke out, will be an important feature of next session's programme in parliament. The legislation will be for the purpose of legalizing a heavy expansion of Dominion Note circulation, irredeemable by specie, in excess of the amount authorized by statute. The situation has created considerable comment in financial circles here. In August last the Dominion Note circulation totalled \$114,866,864. On December the first it has risen to \$163,018,599, or an increase of \$48,151,756. This tremendous increase is not accompanied by a commensurate increase in specie, OR APPROVED SECURITIES. In fact, the specie surplus has decreased. In other words, the Government has increased its supply of ready money to the extent above noted by issuing Dominion Notes without depositing in its treasury the equivalent in gold.

Position Not Clear

"The only additional authority for the expansion of Dominion Note issues, which the Government has received since August last is contained in the legislation passed at the war session permitting the Government to lend money to the Banks in the form of Dominion Notes on pledges on securities approved by the Minister. It also permitted a further increase in note circulation to the amount of fifteen million against the gold already held in the treasury. Part of the increase may be accounted for by this legislation, but it is not clear that any considerable proportion is so accounted for. The Bank statement for November last shows that the total amount of balances due to the Government, covering its transactions with the Banks of the Dominion, is only \$17,892,000 and only a part of it will represent such loans on approved securities as were authorized at the war session.

Who Authorized Excess?

"The question being asked in financial circles, therefore, is, under what authority has the still very considerable excess been issued? There is no excuse forthcoming from the Finance Department. In fact it would seem to be apparent that a very considerable issue has been made without any authority whatsoever, as the Statute at present stands. Whether the additional ready money thus obtained by the Government has been used for its own administrative purposes, for the payment of contractors, or for making advances to railway companies, is not known."

By reading between the lines in this Ottawa dispatch, anyone can see for themselves that the Dominion has already issued large amounts of Inconvertible Paper Money and that therefore the Gold Standard in Canada is a thing of the past. A good thing it is too. Does anyone think that such has been injurious to any except the Banking Trust that lost the opportunity of loaning those few extra millions of the people's money at good rates of interest, while they left the producers of that wealth out, where their many branches are, to do nearly all their business by writing on blank cheque forms.

This is the first occasion that I know of in the history of Canada when the Government drew near to a scientific Medium of Exchange. But it is plain to be seen that they could not go further without undermining the special privilege of the Great Financial Interests. These Institutions have been drawing double interest for years, and my proposition is, that the producers of Canada shall have all the Medium of Exchange they need for the same number of years. WITHOUT INTEREST, but with a charge of two or three per cent. to pay the Government for the cost of keeping the accounts. Or by making the interest five per cent., handling all accounts through a national bank

of Canada, with branches everywhere, enough revenue could be raised to run the country and pay off our war debts without having to levy heavy duties or establish direct taxation, unless this would be a form of direct taxation.

"Fiat" and Inconvertible Paper Money

The word "Fiat," as applied to Money, is used very loosely, and in apparent ignorance of what it means, but it is undoubtedly used with reference to Inconvertible Paper Money.

No Inconvertible Paper Money could be Fiat unless made so by fiat of law. All lawful or legal tender money is fiat money, and no other can be fiat. The legal tender gold coin is just as strictly fiat as is the inconvertible note. The fiat value (aside from that of custom) is the only monetary value that any money, metallic or paper, can possess. All economists and courts agree that the only monetary value, regardless of the material, is a statutory value. As a high legal authority on this point, take Judge Tiffany's "Constitutional Law," page 221:—

"To coin money and regulate its value as an act of Sovereignty involves the right to determine what shall be taken and received as money; at what measure or price it shall be taken; and what shall be its effect when passed or tendered in payment or satisfaction of legal obligations. Government can give to its stamp on leather the SAME MONEY VALUE as if put upon gold or silver or any other material. There is no such thing legally as gold or silver or paper money. Money is the sovereign authority impressed upon and attached to that which is capable of taking and retaining the impress of that authority. The act of coining money consists in affixing to that which is to constitute money, THE STAMP OR SEAL OF SOVEREIGN AUTHORITY by which it may be known and recognized in market as being authority entitled to be received at the price or value stamped thereon. The authority which coins or stamps itself upon the article can select such substance it may deem suitable to receive the stamp and pass as money; and it can fix what value it deems proper, independent of the intrinsic value of the material upon which it is affixed. The currency value is in the stamp when used as money, and not in the material independent of the stamp. In other words, the money quality is the AUTHORITY which makes it current, and gives it the power to accomplish the purpose for which it was created—the power to pay debts."

And again in the United States Supreme Court:—

"Whatever power there is over the currency is vested in congress. If the power to declare what is money is not in congress it is annihilated. No one ever doubted that a debt of \$1000 contracted before 1834 could be paid by One Hundred Eagles coined after that year, though they contained no more gold than ninety-four eagles such as were coined when the contract was made, and this not because of the intrinsic value of the coin, but because of its legal value. The eagles coined after 1834 were not money until they were authorized by law, and had they been coined before, without a law fixing their legal value, they could no more have paid a debt than uncoined bullion, or cotton or wheat. The Coinage Act fixes its unit as a dollar, but the gold or silver thing we call a dollar is in no sense a standard of a dollar. It is a representative of it. We repeat, MONEY IS A PRINTED LEGAL DECREE."

For an inconvertible paper currency maintaining parity with a standard take the St. Louis Municipal Currency Issues soon after the Civil War, and circulating up to 1873, when the American Bankers' Association secured legislation prohibiting all money issued except by the National Government and its authorized banks. Having to install a water system and other works, the City Authorities, faced by expenditure much in excess of current incomes, had to ask themselves two questions: "Could we inject any element of soundness into bonds upon which to borrow that would not be contained in a direct issue of city currency?" The answer was obviously and positively in the negative. "Could we borrow any form of money or credit more acceptable to our citizens than the money we can issue?" The answer was almost as positively in the negative.

And what was done by the City Fathers is here told in the words of a former Canadian, Mr. S. P. Panton, who was the Treasurer of the City of St. Louis at that time:

"So they issued 2,000,000 of one dollar and two dollar notes of very limited

"tender as they could only be made receivable for all city dues. On an equality with "Lawful Money," the banks tried, for a long time, to discredit this money, but in vain. So they soon concluded to accept it on deposit in common with other forms of money. Up to its retirement, in 1873, it circulated at par in the City and tributary country. If any of it strayed to a distant State it was driven back home by a slight discount. This was a great advantage, maintaining full circulation where it belonged, and enabling the city authorities to keep track of it. If that money would have circulated at par throughout the land it would have become so scattered that but little would have been left to St. Louis.

"This money added to the ordinary circulation conferred prosperity and solvency on the community. It enabled citizens to pay more than ordinary taxes without hardship. Being receivable for all city dues, it was constantly flowing back to the City Hall; and being as constantly again paid out on public account, it undoubtedly paid for several times its volume in public works without creating One DOLLAR OF DEBT.

"So it was a clear gain to the City of several millions of dollars in public works, besides the enormous aggregate benefit conferred upon the citizens by the great additional annual cash business of probably \$200,000,000 a year, for cash in small denominations easily effects an average of a hundred transactions per annum. Had the City borrowed \$2,000,000 credit as per present practice, it could not have been used more than once, and with interest for a long term would have cost \$4,000,000 or more. To get anywhere near as much service from borrowed credit would have required continuous borrowing to the total of \$200,000,000 or more. This of course would have cost the City more than \$400,000,000, burdening the City with a crushing debt instead of the beneficent operation of the cash. The City currency was the most valuable of assets. Had it not been for the adverse legislation of 1873 that St. Louis currency would have continued its beneficence for an indefinite time."

He further says:—

"Now to those who decry "flat" paper money, we may propound the query, "How could the St. Louis currency have been improved by a metallic redemption fund?" Nobody could tell. Suppose a laborer on City work was paid as wages \$5.00 in City notes, and that then he paid them to the City Treasurer for taxes, the transaction would then have been complete, and the notes could have been destroyed without leaving a cent of liability. They had performed the highest function of money, that of a Medium of Exchange. They had conveniently effected an exchange of taxes for labor. Suppose that laborer did not pay the notes back for taxes, but paid them to his grocer, who paid them out in change, and they changed hands 1000 or 10,000 times before reaching the City Hall in a payment of public dues, as soon as received there the transaction was complete and they could have been destroyed without leaving a cent of liability.

"The fact that they had effected thousands of transactions for the great good of the community while in circulation didn't effect them any more than if they had been paid back to the Treasurer by the first recipient.

"If re-issued it would be the same thing over again. They were paid in and re-issued over and over, and never, at any time, constituted a debt against the City (simply because instead of a promise to pay, they were drawn as a promise to receive). How could a gold reserve have helped or strengthened this money in the slightest degree and caused anything but confusion and needless expense? And yet a gold reserve would have been just as necessary and useful applied to that City currency as it is to any form of National money."

He states further:—

"It is, of course, an object to maintain parity between various forms of money in use. This is accomplished most absolutely by making legal tender upon an equality with each other. If gold is made the standard and other forms of money are made legal tender equally with gold, or receivable for all dues, public and private, on an equality with gold, then no banking or other power can dislocate the even exchangeability of one with the other, or discredit any form of lawful money.

"This system insures absolute maintenance of parity as no metallic redemption fund, to redeem promise to pay, ever could. No money should be a promise to pay, because in every transaction the money used is the payment as far as any money could be a payment. Used as above, gold is an absolute regulator, and there is no excuse in keeping a mass of gold in cold storage on the pretense that it is needed as a redemption fund for any other money. The public never ask for it.

"It is only those interests that profess virtuous concern for the integrity of the currency, and loot the Treasury when they can get a chance to raid the gold reserve."

Men and Women of Canada! How long are you, the sovereign people going to act "like dumb driven cattle?" How long are you going to permit your representatives at Ottawa to maintain such a drag on the progress of our country, as I have here shown the present banking system to be—it was spawned in Hell and shapen in iniquity. The subsidized press all tell you it is the best banking system on earth, but they do not tell you for whom it is the best. But it is for the bankers of course, and the very worst system on earth FOR THE PEOPLE.

This is the millstone around the neck of our fair land, stumbling along the way of progress in her bloody sweat. As a Canadian I make the appeal to all loyal Canadians to arise in their manhood, cast away the fetters so that CANADA may shine in splendor under the blue canopy of heaven, as the KINGDOM OF JUSTICE AND EQUITY.

By its fruits you shall know the tree. If it bears not good fruit we are told to cut it down and cast it into the fire, destroy it.

Here is the principle fruit of our present financial system.

It is only necessary to read the advertisement of the Canada Life Association that recently appeared in Toronto Saturday Night, under the caption, "THE FUTURE—what happens to 100 average men of 25 upon reaching the age of 65?"

"Only one will be wealthy.

"Four will be well-to-do and able to enjoy comfort and recreation.

"Five will be working for a living with no prospect of relief from drudgery.

"Thirty-five will have died, in many cases leaving families enduring hardships.

"Fifty-four will be dependent upon friends, or relatives, or charity."

Look at this picture, which must be true. Given broadly in clear public print by the insurance men who are in league with, and form a part of, our present financial system. Let the awful picture burn into your very soul, and then decide whether there is any justice in the appalling drama before you. And this is one of the finest lands upon which God's sun shines, wrought by the selfishness of man. What a soul killing situation for the average young man of 25 to contemplate. Is it any wonder that he starts out to do the other fellow before the other fellow does him, and through fear of his not attaining to the position of the top five, fight and snarl like dogs over a bone, all on account of the unequal supply in the arteries of Commerce, of a scientific Medium of Exchange.

In a pen of some sixty fine pigs, fed by a pipe carrying the buttermilk from the creamery across the Qu'Appelle River to a tank on the other side, if we keep the milk running steadily, though in small quantities, these act like gentlemen. They will walk slowly up to the trough, a few at a time, knowing there is plenty for all, and drink to their hearts' content without pushing or fighting. But if the trough runs empty for a time (financial depression, scarcity of a medium of exchange), P I G spells HOG, and at the first splash of buttermilk you would think that all the demons of Hell were let loose. They surge down upon the trough in a howling, shrieking mob, and everyone aims to get right into the trough with all fours, and when a bunch start drinking, a bigger and stronger one will start right in at the end and walk down in the trough using his snout as a mouldboard of a plow, turning every mouth out of the milk, destroying it for food with his muddy feet, while pandemonium reigns supreme. A Medium of Exchange that fills the definition herein given will keep up a steady supply to carry on trade and commerce, and keep the dirty Hogs out of the trough of human endeavor. The Creator has blest the earth with bountiful resources that would supply every righteous desire of man. Science and discovery have made such progress that we

harness the forces of nature to do our work. Mother Earth stands ready to pour forth her stores of wealth with a lavish hand; to the husbandman that tickles her fancy. One man can now produce as much as twenty men could a century ago, enough and to spare for all, without having to exploit the future. Then why do so? It is not the many that do so, but the one that heads the list is becoming wealthy. He controls legislation, secures undreamed of privileges, which enables him to accumulate what, under equitable laws, should have gone into the pockets of his fellows at the bottom of the list.

The power that controls the destinies of Canada and the world at the present time, is the financial power, and this power is secured by a fraudulent "Medium of Exchange."

These same conditions are brought about by the "Captains of Finance," who are responsible for all the suffering, murder and suicide following in the wake of financial depressions. Among the food producers of Canada, by lending credit to the farmers to be paid back from November the first to the New Year, and to the merchants and manufacturers for settlement at the same time, and upon the success one has in meeting these terms depends the amount of credit he will be allowed to borrow the following year. When his crop is threshed the debtor is hounded by an army of collectors and compelled to rush his grain on the market, causing the price to go down, down, generally until all the grain grown by those unable to hold it back has passed into the hands of the grain dealers, when the prices generally recover and the non-producer reaps the benefit while the producer out on the prairies, tolling early and late, his faithful helpmate and children deprived of luxuries and many of the necessities of life, continue the grind, still in debt, compelled to borrow credit from the bank if they are wealthy enough to command it, or if not, from the local merchant, in order to sow another crop. "For hope springs eternal in the human breast." And Hope is all that has prevented the collapse of our social system.

Why prolong the agony? We are only suffering what we deserve, for we have the remedy in our own hands. As comrades of EQUITY let us advance.

To illustrate the stranglehold that the financial interests have on the farmers of the West, I quote the following from the Winnipeg Free Press of September 5th, 1913. I don't know who Alex Smith of Ottawa is, but I am interested in what he told the Free Press in that interview:

"The East, particularly the Province of Ontario," says Mr. Smith, "is more heavily interested than the Pacific Province, (that always looks for good business when there are good crops on the Prairie) in the growth and steady development of the Western Prairies, for it would appear that the people of the Prairie Provinces owe to the implement companies, and for loans from loan and other companies, private individuals and the banks, the sum of at least four hundred million dollars (\$400,000,000). The average rate of interest is about ten per cent, so that out of this year's crop and earnings the Prairies have to pay \$40,000,000 for interest alone. It is therefore not surprising there is a strenuous demand for larger markets, lower freight rates, A MORE ELASTIC MONEY OR BANKING SYSTEM, and the construction of railways by the date of promise."

This was in 1913 and the West still cries for relief. But they will cry no more; their tears shall be dried. We are going to march in and possess the gates of our enemies.

Again Mr. Smith says—

"A few days ago the Saskatchewan Government issued a statement showing the loans made in 1912, by companies over which it exercises some regulation. These loans amounted to \$36,233,510.66. Loans this year will increase this amount by \$2,000,000 and in these statements no account is taken of numerous issues of debentures or of money to be paid on insurance premiums. This leads to the conclusion that the money owed by the three Prairie Provinces is in excess of the amount above stated; AND THE VOICE OF THE WEST IS IN CONSEQUENCE A MIGHTY VOICE NOW."

Yes, Men, the West will speak in MIGHTY THUNDER TONES at the coming

Dominion Elections, and will send to Ottawa, as their representatives, a solid bunch of patriotic Statesmen, fashioned by the adversity and strenuous life of the West.

In this wonderful and productive land of the West this burden of interest has become so great that many of the farmers are unable at the year's end to pay the local dealers for their supplies. The dealer, in turn, cannot settle with the wholesaler or his bank. Commerce, manufacture and distribution is languishing. Every year it is getting worse, and it seems all the same with a heavy or light crop.

If the homesteaders on the prairies could only have the privilege of the banks for a few years, to draw interest on their liabilities, their purchasing power would be so increased that the manufacturing centres of Canada would jump ahead by leaps and bounds. For God knows they need manufactured articles of every description and need them badly. But they have not the Medium of Exchange with which to buy. Still we find many of these manufacturers so short sighted that they are doing what they can, to further destroy the purchasing power of their customers, and this acts as a deadly boomerang to social and commercial progress.

Christ, the champion of the common people, proclaiming in His day the reign of Love and Brotherhood, undertook, as his first example, to denounce the usurer, and with a whip of small cords, went into the Temple and overthrew the tables of the Money Changers. Just as then, the money changers of today are mostly respectable men of the Christian Temple, and seem to think they are rendering service to the people, and their justifiers claim that Usury means over and above the current rate of interest, a good definition to stay the qualms of conscience, if there are any.

But, reader, just so long as interest exists, the fruit of our present financial system, just so long will conditions exist as is stated in the advertisement of the Canada Life Association, and not a day longer, for a Medium of Exchange that would meet my definition, via "As elastic and plentiful as the goods or services to be exchanged," would place all commercial and other transactions on a cash basis at once, and forever destroy the cursed credit system. We would then have no need for exemption laws or Court Actions for collection of debts, as no debt would ever be allowed by the Government. "Owe no man anything" would and could be conformed to, because, by having a plentiful Medium of Exchange to meet every requirement there would be absolutely no need for credit. If Canadians were apes I would not be surprised at them allowing such conditions to exist, but when they have it in their power to make a change I cannot conceive why the general public, and even good men in authority, have been so blind in the matter of money and finance. Speaking of this subject to an honored Minister of a Provincial Government one day, he remarked that "he was sorry that he had never looked into the question." This same man is a giant worker in every good cause, but cannot see that all the preaching of all the Ministers of the Church, all the efforts of Christian Endeavor Societies, Y. M. C. A.'s, Salvation Army, Red Cross, Daughters of the Empire and Fraternal Organizations, working towards the Brotherhood of Man, are nullified by the great system of finance our representatives have allowed to be placed upon us.

Labor unites and secures higher wages and shorter hours, and the financial system says "All right," and immediately sets plans in motion to either do him out of his job or relieve him of half of his wages. The rich are growing richer and poor poorer, and it won't be long until Dives will have to talk to Lazarus by wireless.

Who is to blame for the state of things shown in this awful picture of the future as appears in this Life Assurance advertisement? I am, you are—we all are. Why should it continue? Do you desire to see such a change in the conditions as shown that will eliminate want and the fear of want, the driving power of evil, where everyone willing to work a few hours a day will have enough and to spare; where lying, stealing, gambling and crime of every kind will fade away and disappear in the dawn of the kingdom of Love and Equity, brought about simply by a righteous financial system? Then stand forth and proclaim the glad news of financial freedom, which will destroy the barriers to both material and spiritual progress; for you cannot teach "ethics to a hungry man."

This is a fight far greater than the war just closed, and means ten thousand times more to the people of Canada. Will you enlist as a soldier good and true, armed with Truth, and fight for Justice and Equity to dethrone special privilege of every kind, and

lay the foundation of PROGRESS by creating a financial system that will supply a Medium of Exchange "As elastic and plentiful as the goods or services offered for exchange?"

Is there any other way I could pry open your mind and let the emancipating thought sink in? The conditions are unbearable. We can apply the remedy in a year, that will banish forever from this land the fear of want which is the seed of much evil, and the fear of unemployment. There should never be found within the borders of Canada a single soul willing to render any real service to the State or the individuals comprising the State, but that there would be a Dominion note provided for him that would entitle him to receive from someone else the same value of the products of his labor. And until such a time as we awake to our responsibility and provide this, we will be continually confronted with uncalled for conditions like the following. We quote from the Ottawa Citizen:

Work or Compensation?

"In Toronto, a short time ago, an organization was formed, known as the 'Unemployment Association of Canada. Their slogan is 'Work or Compensation.' The underlying logic of this motto is that the community owes the individual 'an opportunity to work for his livelihood. This will be hotly assailed by many, and will be met with the assertion that there is a chance for everyone in Canada who is willing to work, but it need not take much more than a cursory examination into present unemployment conditions to reveal the FACT that it is not 'now, under present circumstances, possible for all to be employed in gainful occupations in this Dominion. In view of this, one might be inclined to challenge the claim that the community is under obligation to provide either work or compensation; but perhaps when investigation has proceeded to the point where it is sought to place the responsibility for the state of affairs which makes the present situation so apparently inevitable, it may be found that such a condition is very largely unnecessary. Absolutely a fact. The Government is supposed to represent the majority thought in the country, and as such is responsible for the economic policy which is to be followed. If that policy is one in which frequently recurring periods of trade depressions and unemployment appear to be inherent, the responsibility for the consequences seem to be rightly placed upon the sponsors of the policy.

"There is no reason, other than failure to recognize the obvious defects of our present economic policy, why these periods of depression should occur time after time in this country; and to the extent that the people of Canada, because of indifference or unwillingness to face facts, have allowed such a condition to exist; to that extent have the unemployed the right to demand work or compensation."

This was copied in the Regina Leader, August 26, 1921.

Let us firmly face this problem, and abolish poverty by providing a Medium of Exchange for all offered services.

In the year 1895 the writer, in company with his brother and a number of others, organized the first co-operative movement in Saskatchewan—the home of Canadian co-operative enterprise—"The Harmony Co-operative Industrial Association." All the cash of individual members was paid into the Treasury and used to pay debts and finance the outside purchases, and the Medium of Exchange used within the community was in this form:

Tantallon, N.W.T. 189.		50	50	50	50
The Harmony Co-operative Industrial Assoc'n Will receive this certificate in payment for merchandise or for a due to the Association for the amount of FIVE DOLLARS. <div style="font-size: 2em; font-weight: bold; margin-top: 10px;">\$5</div>		25	25	25	10
		25	25	25	10
		10	10	10	10
		10	10	10	5
		5	5	5	5
President Secretary					

The script was printed in \$1.00 and \$5.00. On the Five Dollar script the little squares at the bottom each represented one cent, the other squares have the amount for which they stand printed within them, the whole making the sum of five dollars. When the holder came to the association store he brought his script and had the amount of the purchases punched out, and when the amounts were all punched the script was surrendered and filled in order to show that it was redeemed. The Association owned, collectively, all the farm stock and implements, and every member worked for the Association, with a superintendent over every branch of work carried on in the community. Each one was paid monthly their living allowance in this script according to the service rendered to the Association. We had the raw material to build our houses, the natural resources of our farms, timber, lime stone, etc. Our labor supply could never be so great but that we could issue script to cover every day's work. There was never any debt in the community. As for any dealings between the members, they all had an ample supply of script.

This script sometimes got outside the Association, either through our members or the Association making a purchase and paying half cash and half in script. Then it would circulate and cancel many debts before it finally came back to our store and was redeemed in exchange for goods.

If a member wished to take a trip to the City he would apply to the Treasurer and have as much current money of Canada exchanged for his script. If he did not spend it all, upon his return, he would pay it in to our Treasurer and receive script in exchange. This little colony used this Medium of Exchange throughout the five years of its existence without a hitch, and the same system can be applied to the whole of Canada by changing our Dominion Notes to read:—

THE DOMINION OF CANADA WILL RECEIVE THIS CERTIFICATE
IN PAYMENT OF ALL
DUES TO THE GOVERNMENT FOR THE AMOUNT
OF FIVE DOLLARS

All nicely lithographed and signed by the proper officers of the finance Department. The amounts should be: \$1.00, \$5.00, \$10.00, \$20.00, \$50.00, \$100.00. But instead of having squares to punch in order to make change, the best system would be to use alluminum discs for one, five, ten, twenty-five and fifty cents, as the material would be inexpensive, receive a good impression, and be light weight to carry in the pocket.

Dominion Certificates, as above, made **LEGAL TENDER MONEY**, by "Fiat of Law," could be paid out on all authorized public works of both Dominion and Provincial Governments, which would result in all these works for the benefit of the Nation being accomplished without the issuing of a dollar of interest bearing bonds or debentures. The same as the issue of the City of St. Louis. The progress would be limited only to the available material and labor supply, and as all labor that was offered could be used, because we would have a scientific money, owned and controlled by the Sovereign People as plentiful as the commodities or services to be exchanged, we would lay the foundation for uniform and permanent commercial progress that would grow and expand without any setback to the limit of the labor power to be obtained.

This would put in circulation such a large amount of money per capita that there would spring up a heavy demand for all kinds of manufactured articles, which would demand ever increasing labor power. Our Canada would flourish like a green bay tree, filling the whole land with beauty and symmetry. Debt would be no more, and labor just healthy exercise necessary for the felicitous development of the SOUL. "Thy Kingdom come, Thy will be done on Earth as it is done in Heaven."

Christ, in the Temple, gave us the cue for ushering in the Kingdom of **BROTHERHOOD**. We will remain in bondage till we exert our sovereign will and likewise upset the tables of the **MONEY CHANGERS OF CANADA** and the world. In Earth as it is in Heaven, "Make not thy Father's house a den of thieves."

In order to show what can be done under a more equitable Banking System, I quote from the Winnipeg Free Press of September 10th, 1921:—

"Success Has Attended Big Test in Australian Banking

"In 1911 the Australian Government took steps to secure the formation of the Commonwealth Bank of Australia, which at present is the only State Bank in the British Empire. Sir Denison Miller is the Governor of this bank, and on the occasion

of his recent visit to London, at a luncheon given in his honor by the Royal Colonial Institute. He gave an illuminated story of the workings and great success of this People's Bank. He states in one place: "The Commonwealth is responsible for all money due by the bank, and the net profits are dealt with as follows: one half is placed to the credit of a fund called the Bank Reserve Fund, and the other half is placed to the credit of a fund called the Redemption Fund. The Redemption Fund may be used in payment of any money advanced to the Bank by the Treasurer, or in the redemption of the stock issued by the Bank. If the fund exceeds the amount of stock in circulation, the excess may be used for the purpose of the redemption of any Commonwealth debts."

The general banking business of this Bank was started in 1913. Sir Denison further says: "The whole accounts of the Commonwealth Government were at once transferred to the bank at all points at which the bank was represented by branches, and the first deposit made at the head office at Sidney, was lodged by the Commonwealth Government and was for £591,864. Business from all quarters quickly flowed in, the support given by the general public being from the outset very gratifying." But the most wonderful part of his address was in telling his hearers that no cash capital was required, although on December 31st last the total assets of the institution had reached the sum of \$350,000,000, with an additional asset in the note circulation department of \$300,000,000, and a reserve fund of £1,524,161.

He says: "In the terms of the Commonwealth Bank Act, the Government had to provide £1,000,000 for capital, and the Premier asked me to let him know when the money would be required. I soon found that ACTUAL CASH CAPITAL was not needed, and none has been called up, although the Bank now has power to issue debentures up to Ten Million Pounds at any time." I ask why we cannot have a National Government Bank along these lines in Canada. We can and must have unless Canada is prepared to play second fiddle to the other parts of the Empire.

The Winnipeg Free Press of September 23rd contains an account of the attack on the Manitoba Rural Credits Movement, by the Canadian Industrial Reconstruction Association. The name is a misnomer as it will be impossible to reconstruct anything permanently under our present outworn and gone to seed financial system.

The Reconstruction Association argues blandly that "if the Government collects money and lends it to prairie farmers, the banks will have less to lend to other borrowers," that the establishment of the Manitoba Deposit Office is "a plan which lessens the amount of money available in the hands of the regular banking institutions for loans to other borrowers."

Yes, that is it exactly. They want the wealth and money of the country to loan to BIG BUSINESS, to help them form combinations and monopolies sheltered under a protective tariff, that will extract from the pockets of all workers on the farm or in the factory at least one-half of their earnings. The people as a whole would save more than any interest they draw from the banks, if they never let them have one dollar of their wealth for safe keeping or investment; it is indeed pleasing to note that the Manitoba Deposit Office has already handled over three millions of deposits.

Sir Auckland Geddes, British Ambassador to the United States, sounded a very distinct note of warning last year, when he addressed the Canadian Bar Association. He spoke of the last war arising out of the internal unrest in nations, due to the industrial revolution that has swept through the world in the last century. "One effect of the industrial revolution has been to intensify the frantic competition for markets abroad. The capacity of industrial nations to produce has been enormously increased. But consumption has not kept pace with production. The people, as consumers, lack the means to purchase sufficient of the commodities they themselves produced. The productive system is highly efficient, but the distributive system is totally inadequate (for the want of a perfect Medium of Exchange). There is an increasing surplus for export in every industrial country, because the purchasing power of the people in the home market is inadequate."

The same conditions of contracted credit, trade depression, unemployment and want seem to prevail in almost every industrial country, and the root of the evil is the failure of the people through their several governments, in providing a scientific "Medium of Exchange" as elastic and plentiful as the commodities or services to be exchanged.

